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Chicago, Ill.

Local Transportation Commission

REPORT

[MISC. PUBS.]

OF

Commission on
Local Transportation

OF THE

CITY OF CHICAGO

APPOINTED BY

MAYOR WM. HALE THOMPSON

UNDER AN ORDINANCE OF THE CITY COUNCIL

ADOPTED NOVEMBER 10, 1919. 1970/

DECEMBER 1920

~~SECRET~~

Members
of the
Commission on Local Transportation
appointed by
Mayor Wm. Hale Thompson

SAMUEL A. ETTELSON, Chairman
CHARLES R. FRANCIS
JOHN P. GARNER
PATRICK H. MOYNIHAN

WILLIAM D. McJUNKIN, Secretary
ROBERT J. LYMAN, Assistant Secretary

LEGAL STAFF:

CHESTER E. CLEVELAND, Chief Counsel
CHARLES E. WARD
EDWARD H. WRIGHT } Associate Counsel
WILLIAM F. MULVIHILL }

ENGINEERING STAFF:

GEORGE W. JACKSON, Engineer
ALFRED SLADE Consulting and Advising Engineer
THOMAS C. JACKSON Designing Engineer
JOHN T. FANNING Designing Engineer
JESS COFFEEN Designing Engineer
CHARLES S. DUKE Designing Engineer
E. A. CLARK Engineer and Designer
LEON L. CLARKE Engineer and Designer
A. D. SHANKS Engineers' Assistant
W. L. BENNETT Engineers' Assistant
FLOYD ROQUEMORE Engineering Draftsman
C. A. SANDAHL Engineering Draftsman

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WM. HALE THOMPSON
MAYOR

CITY OF CHICAGO
OFFICE OF THE MAYOR

January 6, 1921.

To The Honorable, the City Council
of the City of Chicago.

Gentlemen:

At a special session of your honorable body held on September 9th, 1919, I submitted a recommendation for the creation of a Commission on Local Transportation to consider matters incident to obtaining improved local transportation facilities for the people of the City of Chicago at a permanent five-cent fare through the creation of a public body clothed with power to own, control and operate a system of local transportation in a district embracing the City of Chicago and such portions of adjoining cities, villages and towns as logically form a part of the metropolitan district of Chicago.

Your honorable body subsequently passed an ordinance authorizing the appointment by the Mayor of a Commission on Local Transportation, and thereafter appropriated the sum of \$250,000.00 for the expenses of said Commission.

In December, 1919, I appointed as such Commission, Hon. Samuel A. Ettelson, Corporation Counsel, Chairman; Hon. Charles R. Francis, Commissioner of Public Works; Hon. John P. Garner, Alderman; and Hon. P. H. Moynihan, ex-alderman; all of whom have served without compensation.

The Commission employed competent legal and engineering staffs to make investigations covering the legal and engineering problems involved in the proposed plan of Peoples' Ownership and Operation of street railways at a five-cent fare. Based on these investigations the Commission has submitted to me their conclusions and recommendations, as required by ordinance, which are transmitted herewith.

A study of the data accumulated by the engineering staff sustains my views, heretofore expressed to your honorable body, that from engineering and financial standpoints, it is entirely feasible to provide adequate and first class transportation at a permanent five-cent fare through the creation of a Transportation District to be administered by trustees elected by the people.

The engineering investigation included a thorough consideration of subway transportation as a means of relieving congestion in the downtown or so-called 'loop' district; the rerouting of cars on

surface lines now in operation; the use of monorails, double-deck cars and loading platforms to avoid the delays incident to the present method of collecting fares on the cars; and in addition the institution of sweeping economies in operation which are impossible under private ownership.

The attorneys for the Commission have prepared the draft of a proposed bill for an act, which, when passed by the legislature, will permit the voters of Chicago and vicinity to form, if they so elect, a Transportation District which shall constitute a separate municipal or public corporation, managed by Trustees elected by the people, with power to own and operate street railway systems within such Transportation District.

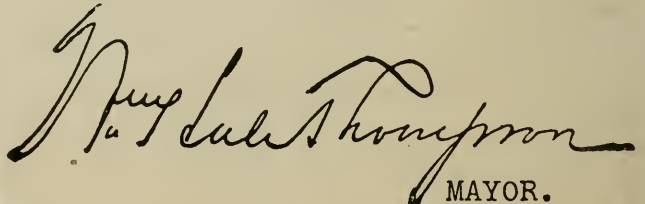
While the engineering investigation has been of great importance as showing the feasibility of providing adequate local transportation at a five-cent fare through peoples' ownership and operation, I believe that the immediate attention of the friends and supporters of the five-cent fare should be directed toward securing from the Illinois General Assembly, which is now in session, the necessary enabling legislation, under which the people may form such a Transportation District if they so desire, and without which all consideration of engineering details would be futile.

I transmit herewith to your honorable body the report of the Commission, including a copy of the proposed law recommended by the Commission which will be submitted to the Legislature as provided by the ordinance.

As a means of promoting the enactment of this essential legislation, I respectfully recommend that the Commission on Local Transportation be continued for the purpose of conducting any further investigations which may be necessary and to present to the Legislature and the members and committees thereof such detailed information as may be required to promote the enactment of the enabling legislation.

I am advised that of the appropriation made to defray the expenses of the Commission, approximately \$70,000.00 remains unexpended. I therefore recommend that such unexpended balance be re-appropriated in order that so much thereof as may be required for the purposes above indicated may be available for the use of the Commission. In my opinion, there is no public question of more pressing importance than that of securing for our people relief from the intolerable conditions of local transportation which now prevail under private ownership and operation.

Yours respectfully,


MAYOR.

Text of the Report to the Mayor
by the
Commission on Local Transportation
of the
City of Chicago

Chicago, Ill., December 31, 1920.

Hon. William Hale Thompson, Mayor,
City Hall, Chicago.

Dear Sir:

The Commission on Local Transportation appointed by you held its first regular meeting in your office on December 16th, 1919, all of the Commission being present, at which time and place Commissioner Samuel A. Ettelson was elected Chairman of the Commission, and thereafter, the Commission completed its organization by the election of Mr. William D. McJunkin, Secretary, Mr. Robert J. Lyman, Assistant Secretary, and Mr. Chester E. Cleveland, Chief Counsel.

Subsequently, upon the recommendation of the Chief Counsel, Messrs. Charles E. Ward, Edward H. Wright and William F. Mulvihill were chosen as Associate Counsel for the Commission, and directed to prepare the necessary legislation required to permit the creation of Transportation Districts.

Quarters for the Commission were secured in the Hotel Sherman.

Questionnaires for Engineers

The following form of questionnaire was prepared and submitted to engineers who were applicants or prospective applicants for the position of Engineer for the Commission:

The Commission on Local Transportation, desiring to recommend to Mayor William Hale Thompson for appointment by him an engineer to undertake the technical work of the Commission in the development of a permanent solution of the local transportation problems confronting the people of Chicago, and desiring to establish a criterion on which to base such recommendation, requests those competent and desiring to serve to present to the Commission a statement of their qualifications and views as herein outlined.

(In replying to the questions kindly number answers in conformity with the following numbers.)

- (1) Name.
- (2) Address.
- (3) Present employment.
- (4) Education and degrees and membership in technical societies.
- (5) Detailed statement of experience and employment, by years.
- (6) Record as to responsible charge of engineering and construction, naming most important works and money value.

(7) Special experience, if any, in railway design, construction and operation.

(8) Special experience, if any, in electrical work, and especially electric railways and subway construction and operation; also electrolysis.

(9) Special experience, if any, in an executive capacity and in assuming engineering and business responsibility.

(10) Experience in valuation and appraisal.

(11) What can you cite as evidence of originality and resourcefulness and of ability to grasp difficult situations and solve them?

(12) State your experience, if any, in the analysis of the financial elements of fares, profit, capitalization, etc.

(13) State your experience, if any, in the analysis of traffic congestion, routing and terminals.

(14) State what study, if any, you have given to improved methods of city railway construction, mechanical equipment and operation tending to sanitary, quiet, safe and efficient operation.

(15) What study, if any, have you given to, and what suggestions can you offer for practical and advanced economical rapid transit adapted to the Chicago situation?

(16) State what persons, firms and corporations you have been associated with and have done business for, during the last fifteen years.

(17) State which of these persons, firms and corporations you have just mentioned have been at any time connected or affiliated with public utility corporations.

(18) State whether or not you or any person, firm or corporation with whom you have been connected has directly or indirectly done any work for or rendered any service to any of the traction companies.

(19) Do you consider yourself fully competent to prepare and present to the Commission a complete and comprehensive report of the character and scope indicated in this questionnaire?

(20) Outline briefly your plan for undertaking the work, staff required, time required, and the terms and conditions on which you would serve.

(21) State what, if any, staff or organization you have now available for this work.

Engineer George W. Jackson Employed

After careful consideration of the many applications received, and a series of public hearings for the examination of applicants for appointment as Engineer, the Commission on February 6th, 1920, authorized its chairman to negotiate with Mr. George W. Jackson regarding the cost to prepare and furnish sketches and estimates covering the cost of construction of both two and four track subways under various downtown streets and to act as engineer for the Commission.

Thereafter on February 11th the Commission entered into an agreement with Mr. George W. Jackson to serve as Engineer on the following terms, subject to the approval of the City Council: A retainer of \$5,000.00 and compensation at the rate of \$150.00 per day, and an additional allowance not to exceed 15% to cover office expense, overhead, use of engineering appliances, stationery, etc., over and above the cost of salaries that might be paid to engineers and others of the engineering staff, it being understood that the retainer of \$5,000.00 was based upon the fact that during the past twenty years Mr. Jackson has been engaged in the consideration of and construction of subways and other public and private works in Chicago, in the process of which he has gathered a mass of data, of more value than the retainer specified, and that all of the plans which he has heretofore prepared and the results of all of the studies which he has made in this field would be immediately available for the use of the Commission. These data, gathered at great expense and representing years of study and labor, were thus made available to the Commission without additional cost. This agreement was concurred in by the City Council.

Resolutions: re Public Utilities Commission

On February 20th, the following resolutions were unanimously adopted, all of the Commissioners being present:

“WHEREAS, The Supreme Court of the State of Illinois handed down a decision on Feb-

ruary 18, 1920, to the effect that the City of Chicago has no control or authority over the traction lines on its streets insofar as the question of the rate of fare is concerned; and

“WHEREAS, It is held in such decision that the whole power of fixing rates in the City of Chicago is in the State Public Utilities Commission, notwithstanding the fact that the traction companies in 1907 contracted with the City of Chicago to furnish transportation for a period of twenty years for a five cent fare; and

“WHEREAS, Said Public Utilities Commission has shown by its rulings in favor of the public utility corporations and against the interests of the people, that it is vain to look for relief to that Commission; and

“WHEREAS, The Supreme Court of Illinois at its present term, in another case, held that the State Public Utilities Commission has no jurisdiction over public utilities owned and operated by municipalities in the State of Illinois, therefore, be it

“RESOLVED, That arrangements be made to appeal to the General Assembly of the State of Illinois for legislation authorizing the people to create a Transportation District or new municipal corporation, if they so elect, for ownership and operation of street railway systems at a five cent fare, in accordance with what is known as the “Thompson Plan”; be it further

“RESOLVED, That to expedite the carrying out of this program, the Chief Counsel of this Commission be, and he is hereby authorized and directed to employ such additional legal aid or assistance as he may deem necessary to digest and prepare at the earliest possible date, the legislation required to give the people of Chicago power to manage their own traction affairs through trustees elected by popular vote.”

Open Meetings of Commission

In accordance with the request of Your Honor, it has been the policy of the Commission to hold all meetings open to the public and to invite persons interested in the local transportation problem to appear before the Commission with suggestions and criticisms of the plans under consideration from time to time. Many persons availed themselves of the opportunity to present their views to the Commission.

The Commission has accumulated a mass of information, including maps of possible routes of subways, plans for structures and construction, data showing population and travel on lines of local transportation, tables showing the gradual decrease in speed of surface cars, and all other related subjects connected with the increasingly intricate problem of local transportation. These studies and investigations would easily fill a large volume, the contents of which would be of interest chiefly to engineers and technical students of traction problems.

We have acted on the theory that we were charged with the duty of working out a practical method of local transportation for the people, rather than the accumulation of ponderous reports and documents that would be filed away and result in nothing tangible.

Function to Investigate Only

We realize that it is not our function to formulate fixed plans and methods of local transportation to bind or hamper the trustees to be elected by the people. Therefore we have personally and through our engineers investigated all the various plans and methods which we have been able to discover that might be utilized to improve local transportation and restore the five cent fare. It would appear unwise for us to select any one or any combination of these plans and methods as a cure-all to be accepted by the trustees.

We have collected a vast amount of material which will be available in working out the concrete plan or system that may be adopted. We have borne in mind that the building of a new system of transportation, whether based upon the present system or independent of it, will of necessity be an evolution in practice rather than a theoretical creation. It has been our task to determine what is feasible, practical and usable at the present time; it will be for the trustees hereafter to be elected to determine what is the best at that time and to build their system accordingly. It has been our business to ascertain and de-

termine whether or not the plan proposed by Your Honor is feasible, practical and desirable. After a careful investigation, we are satisfied that it is feasible, practical and desirable; and we may add that, in our opinion, it is absolutely necessary to protect the welfare of the people.

Two Principal Considerations

Our investigation naturally divided itself into two elements: (1st) Is people's ownership and operation feasible, practical and desirable; and (2nd) Will a permanent five cent fare be guaranteed thereunder? While these elements are closely related to each other, they are not necessarily dependent upon each other, and are capable of separate consideration. We shall take them up in the order above set forth.

Is people's ownership and operation feasible, practical and desirable?

In consideration of this question we want it understood that we are not discussing the question of municipal or public ownership of public utilities as a general proposition; but that we are considering the question of people's ownership of the street railway system under concrete circumstances presented.

People's Ownership Not New Idea

There always has been public ownership of public utilities in this state. Sometimes it has been ownership and operation of waterworks, as in Chicago. Sometimes it has been of gas plants; sometimes of

electric lighting and heating plants; sometimes of telephone systems, and so on. The principle of public ownership and operation of public utilities has long been recognized as correct, and the only question has been as to what utilities it should be applied. By the Mueller Act and the Public Utilities Act, the Illinois legislature expressly recognized that public ownership and operation of street railways is correct in principle.

Let it also be understood that we are dealing only with street railways. We are not dealing with commercial railroads. That street railways are wholly distinct and different from commercial railroads is clearly recognized in our Constitution, in our statutes and in the decisions of our courts.

Street Car Lines as Highways

Street railways are essentially a part of the streets, almost, if not quite as much so, as the pavements and sidewalks. As the public provides boulevards and pavements for vehicular traffic, and sidewalks for pedestrian traffic, so also it may well provide street railways for the transportation of the people to and from their work, business and pleasure. No reasonable man will deny that comfortable and expeditious transportation of the people by means of the street railways will greatly promote the public welfare.

The history of the street car companies in Chicago, under private ownership, has been one of corruption and a continuous effort, by fair means or foul,

to exploit the people in the interest of the companies. This history is so well known that it would serve no useful purpose to go into detail here. We shall therefore come at once to the 1907 ordinance contracts, a consideration of which will demonstrate, not only the feasibility and practicability of the plan for people's ownership, but also its absolute necessity.

People's Ownership a Necessity

These ordinance contracts contain provisions purporting to authorize the City of Chicago or its licensee to purchase the lines upon terms and conditions therein prescribed; and the Mueller Law, under the authority of which such ordinance contracts were largely entered into, purported to authorize the City to issue certificates on which to raise money to pay for the lines. But the Supreme Court held that such certificates constitute indebtedness of the City issuing them; that if the City of Chicago issued such certificates it would exceed the limit of its bonded indebtedness; and that therefore the city could not issue such certificates. This leaves the city without adequate means of raising sufficient money to purchase the lines; and hence the provisions of the ordinances for the purchase of the lines are, so far as the city is concerned, meaningless.

Practically, there is not a possibility of the city getting a licensee to purchase these lines, and the city itself could not raise the money required to purchase the lines.

\$85,000,000 "Water" in Surface Lines Valuations

The purchase price under the contract ordinances, about \$160,000,000, contains items aggregating millions of dollars which represent no property at all. The officials of the Chicago Surface Lines, in 1917, testified that there were then included in the purchase price "\$85,000,000 or \$90,000,000 that is not represented by any property at all."

Therefore, we find that it is certain that the city will never be able to purchase said properties under said contract ordinances; and that it is equally certain that the city will never be able to find a licensee who will purchase the properties under the ordinances. Consequently, the city will of necessity come to the termination of said ordinances with the present companies absolute masters of the situation, and the people will be powerless unless something be done.

"Joker" in 1907 Traction Ordinances

In connection with the provisions in the contract ordinances for the purchase of the properties by the city or its licensee will be found the following:

"and in case such reserved right of purchase be not exercised by the said City or its licensee and the City shall grant a right to another company to operate a street railway in the streets and parts of streets constituting the said street railway system of the Company, such new company shall be required to and shall purchase and take over the said street railways, property and rights

of the Company at or after February first, 1927, upon the same terms upon which the said City might then purchase and take them over."

A more vicious joker was never introduced in an ordinance. The statutes provide that a grant of rights in the streets to street railway companies shall be limited to 20 years, but here we have a sinister attempt to give to those companies a perpetual franchise. According to the terms of this provision, the companies can continue to operate their lines in the streets of the city until the city or its licensee pays to them the exorbitant purchase price built up under the ordinances; and, as we have seen, there is no possibility of the city or any such licensee ever paying such purchase price. So that the city is helpless and the present companies can remain on the streets forever if these ordinances shall hold. Even if the courts should finally hold that the provision above quoted is illegal, fraudulent and void, still, as we have seen, the city would be in no position financially to acquire and operate a street railway system, because of the constitutional limitation of municipal indebtedness.

New Public Body Indispensable

So, unless the present companies are to be left in undisputed control, and permitted to continue their operations as they have in the past, giving poor service and charging excessive rates contrary to their contracts and in utter defiance and disrespect of the rights of the people, it is obvious that the new transportation district advocated by you is an absolute necessity.

The question then recurs whether under this plan the people could be given five cent fares. Our investigation leads us to the conclusion that there is no doubt that it can be done.

Surface Lines Earned Millions at Nickle Fare

The earnings of the Chicago Surface Lines under the five cent fare from February 1, 1907 to August 1, 1919 were as follows:

10% of all items added to capital account for contractors profit retained by the companies and not paid to any contractor but added to capital account	\$ 8,297,865.45
5% of all items added to capital account, for brokerage, retained by the companies and not paid to any broker but added to capital account	4,156,937.70
5% of the capital account drawn out each year by the companies.....	76,933,780.24
45% of the net divisible receipts drawn out each year by the companies....	19,181,717.03
Total	\$108,570,300.42

For the years beginning February 1, 1907, down to and including January 31, 1919, the foregoing are the figures furnished to the City Comptroller by the companies. The amounts for the period beginning February 1, 1919 and ending August 1, 1919 are estimated by the comptroller and are substantially if not absolutely accurate.

In addition to the foregoing sum of . . \$108,570,300.42
 made by the companies from the five
 cent fare during the period above
 mentioned, the companies further
 made a profit which they paid to
 the city for its 55% of the net divis-
 ible receipts 22,730,242.92

\$131,300,543.34

In addition to the foregoing the com-
 panies had up to January 31, 1919
 accumulated in the renewal fund
 provided for by the ordinance over
 all expenditures for renewals, the
 net sum in cash which they then had
 on hand of 9,258,932.31

\$140,559,475.65

Prosperity Concealed by Secret Books

No one outside the inner circle of the traction in-
 terests knows what it has cost the Chicago Surface
 Lines to give street car service in Chicago. Their
 financial affairs are recorded in a private set of books
 to which the city has access only to a very limited
 extent. The fact that they keep these secret books
 and refuse to let the people know what they contain,
 raises a presumption that they contain entries which
 if known would be very prejudicial to their claims.
 We believe from evidence brought out before the
 Public Utilities Commission that the companies have

used money running into the millions for improper purposes, and that proof of this could be obtained in their secret books, if available for examination.

With all such unnecessary and improper expenses eliminated, we are convinced that the five cent fare would not only pay all operating expenses, but would provide a sinking fund to meet and pay the entire cost of the street railways.

Voluminous Report Considered

It was the plan of your Commission to make a voluminous report including much of the information gathered and plans prepared by our engineering staff, but, at the suggestion of Your Honor, we have omitted from our report this non-essential mass of detail, to the end that our conclusions and recommendations based on the studies and investigation of the legal and engineering staffs might not be obscured in the public mind, through over-emphasis of some unimportant details by the opponents of people's ownership.

If the City Council should desire to have the engineering studies and the briefs of the attorneys printed, there are sufficient funds left in the appropriation to do so, but your Commission is of the opinion that such expenditure would be unwise.

We were further inclined to this action because of the fact that no plan or plans, however wisely conceived, would be binding on the trustees of the Transportation District when organized, and would serve now only to distract attention from the prime essen-

tial, namely, the enactment of a law by the General Assembly of the State of Illinois permitting the people of Chicago to vote on the question of whether they desire people's ownership and operation of street cars at a permanent five-cent fare. Without such a law and without such a vote of the people, it would be folly to discuss seriously whether or not there should be subways and when and where they should be constructed, whether there should be one-story or two-story cars, and other details of administration, over which we can exercise no jurisdiction, but which would be solely in the control of the trustees to be elected by the people, and to whom, under your plan, the district officials would be directly responsible.

People's Ownership Endorsed by Chicago Voters

Public ownership and operation of street car lines is not a new idea of the people of Chicago, who have repeatedly endorsed the proposition by their votes. Constitutional limitations have, up to this time, made it impossible to bring about the accomplishment of their desire to own and operate their local transportation system.

The plan proposed by Your Honor, commonly known as the "Thompson Plan for Peoples' Ownership and Operation of Street Cars at a 5-Cent Fare," if adopted, would obviate all the difficulties which have been heretofore experienced by the people of Chicago, and place it within their power to own and operate their lines of local transportation, if they so desire.

Opposition to be Expected

It is to be expected that this progressive proposal will meet with determined opposition from the private corporations which own, control and operate various public utilities, and which, through their monopolistic control, have been able to exploit the public; Secondly, from the interests which are responsible for the intolerable service furnished by our present local transportation lines, including the high-salaried officials of the traction companies, the bankers and brokers and newspaper owners and editors who in one way or another have acquired large blocks of the watered stock and who desire to continue taking toll out of the pockets of the people in the form of excessive car fares levied in violation of contracts between the people and the traction companies.

After a thorough study of the entire traction situation in Chicago as it relates to local transportation, your Commission is convinced that first-class, adequate service can be provided through Peoples' ownership and operation at a permanent five-cent fare.

We submit herewith a communication from the Engineering department bearing on this subject; also a proposed bill for an act to be introduced in the General Assembly, which we respectfully recommend that you transmit to the General Assembly in accordance with the provisions of the ordinance creating this Commission.

In conclusion, permit us to assure you of our appreciation of your confidence in committing this investigation to our care, and also for the helpful suggestions and invaluable cooperation we have had from you during the time we have been engaged in the task assigned, which we have gladly performed without compensation other than the knowledge that we were contributing in some measure to the consummation of a plan which, when put in operation, as we confidently believe it will be, will add another to your many great achievements in behalf of the people of Chicago.

Respectfully submitted,

SAMUEL A. ETTELSON, Chairman,
CHARLES R. FRANCIS,
JOHN P. GARNER,
PATRICK H. MOYNIHAN.

ENGINEERING DEPARTMENT

Commission on Local Transportation

Chicago, Ill., December 31, 1920.

To the Commission on Local Transportation of the
City of Chicago.

Gentlemen:

Pursuant to your instructions imparted to me as Engineer for your Commission, I have completed an investigation, as thorough as could be made in the time available, with a view to ascertaining the feasibility and desirability of the plans for People's ownership and operation of the Chicago surface lines at a five-cent fare which your Commission is seeking to materialize. In making this investigation I have also considered efficient means for relieving the insufferable congestion and bringing improvement to the service, now so miserable, on the local transportation lines of this city, and have data on hand in support of my recommendations.

All Prior Investigations Considered

This statement, while brief, is based upon knowledge developed through the study of material heretofore gathered by the various commissions, engineers and others, including myself, covering practically all prior investigations and reports upon the local transportation problem, and includes observations upon certain financial and economic aspects of the subject.

I have eliminated all possible detail from this

communication, realizing that there is an endless amount of same calling for discussion which must necessarily come up in open hearings before the bodies called upon to legislate in behalf of your plans, and I will gladly hold myself in readiness to appear with my assistants whenever and wherever desired for more detailed discussion of the matters touched upon herein.

It is a great satisfaction to me that, as a result of the investigations made by the engineering staff under my direction, I can now state to your Commission that the plan suggested by Mayor William Hale Thompson is feasible and that under it the people can, if they desire, own and operate successfully street cars in Chicago at a permanent five-cent fare. I am further able to say that such plan could be put into execution without adding any permanent burdens to the tax payers of Chicago, and, in my opinion, the Transportation District contemplated in such plan would, when legally and efficiently organized, give the people of Chicago better local transportation than they have ever heretofore enjoyed.

Transportation planned for Ten Million Population

The organization and operation of the proposed Transportation District would provide a transportation system for the City of Chicago and environs, not only adequate for immediate requirements, but of such potential capacity as to meet the needs of a population of ten million people, and would double at once the capacity of the surface lines to transport people into and out of the so-called loop district.

The future development of our city efficiently can only be advanced as adequate, safe and rapid transit facilities are established and extended in harmony with other plans for the city's growth and betterment. The residents of the numerous thickly populated sections of the metropolitan district of Chicago, as well as visitors, need, and should have quick, cheap and convenient transportation to all points between the manufacturing and industrial districts, the various railroad terminals, the hotels and amusement places and the home sections of the city. The contemplated zoning of the city into business and residential sections will make this even more imperative. No satisfactory zoning system can be planned and maintained without a concurrent vast improvement in local transportation facilities.

Present Conditions Have Become Intolerable

All sections of our city are suffering through inferior traction service and the outlying districts particularly through the failure of the traction companies to make proper and necessary extensions and every line of local travel is overtaxed, especially during the rush hours, to such an extent that conditions have become intolerable.

The 1907 contract ordinances under which the Chicago Surface Lines are operating in the streets of the city will expire in 1927 if not sooner terminated. Unless urgent measures be adopted, the city will at that time be confronted with the worst transportation conditions in its history. It is therefore the part of

wisdom to make sure now that the city will not be more helpless in 1927 than it was in 1907 in this regard.

Companies Exact High Rates For Poor Service

The present conditions are mainly due to over-capitalization upon the part of the companies and their efforts to maintain unwarranted values on their properties and to make their lines earn dividends on inflated valuations by taking out of the pockets of the people the largest possible amount of money for the least possible amount of service.

I firmly believe, after thorough consideration of traction history in Chicago and exhaustive study of the engineering and financial problems involved, that the most promising and practical method advanced for the right solution of this question is the plan advocated by Mayor William Hale Thompson for People's Ownership and Operation of Street Car Lines at a permanent five-cent fare through trustees elected by the people, which contemplates efficient and honest economical administration devoid of extravagance and profit, instead of the gross charges reflected in inflated valuations, dividends on watered stock and numerous ill-advised expenditures carried under private ownership and operation which necessitate exorbitant fares and the persistent violation of contractual agreements.

My recommendations are general, insofar as this statement is concerned, and should be considered as advisory to yourselves and to the officials of the proposed Transportation District when created, as I real-

ize fully that your Commission is not empowered to put plans into operation and can only act in a recommendatory capacity toward doing so.

How Service Could Be Improved

The engineering features to be considered, of course, involve subway construction at least to the initial extent of serving congested areas with the possibilities of sufficient extensions to meet the needs of the future. Subway construction, however, is not vitally essential to the success of the Mayor's plan, but can be combined with it harmoniously and practically at any time. The re-routing of surface traction lines in the downtown business section under plans whereby 200,000 passengers per hour could be brought into and taken out of the loop, as compared with 100,000 passengers per hour under the present service. An increase in the average speed of surface cars accomplished through economies of routing and operation will bring perceptible relief, and the use of double-deck street cars and loading platforms for collecting fares, thus increasing capacity and eliminating the delay occasioned by payment of fares on the cars will bring still greater relief.

The foregoing require detail discussion, together with the submission of maps and plans, and, in my opinion, can be consummated with the greatest expediency under the Thompson plan for People's Ownership and Operation, whereas under private ownership and operation and its schemes of exploitation progress will be blocked at every turn.

Economical Management Could Save Millions

Economies in financial operation seem limitless when estimated on the basis of extremes incident to the practices of private capital. My investigations, while of an engineering character, would be incomplete if I did not advise you of the financial savings which I feel can be accomplished under People's ownership and operation as in no other way. I therefore submit a memorandum of daily expense which private operation has entailed and which has been borne by the car-riding public and which can be saved under People's ownership and operation. The figures upon which this aggregate is computed and the items included in same are based upon an accurate knowledge of the traction business. I am prepared to furnish information and facts in verification of them which will satisfy the public mind and legislative authorities that surface transportation lines can and should furnish adequate first-class service at a five-cent fare.

Some Suggested Savings in Expense

The daily saving in expense referred to will total, conservatively estimated, \$40,000.00 per day, which, computed on the basis of three hundred days yearly, will equal an annual saving of \$12,000,000.00. Included in this estimate are the following items:

Elimination of the present Board of Supervising Engineers and the cost of service and rate investigations to the companies and the city by the Public Utilities Commission.

Discontinuance of the employment of detectives and spotters through the sale of tickets to passengers before entering cars.

Gain in revenue which will accrue through the sale of tickets instead of the payment of cash fares.

Saving on payrolls of employees replacing switches and making repairs and renewals of trackage, which are now exorbitant.

Saving in expense of operation by maintaining an average speed of twelve miles per hour instead of ten miles per hour, the present average.

Saving by operating cars by the loop system in the downtown district and at a number of terminals.

Saving of revenue now lost on account of crowded condition of cars, through lack of sufficient equipment and facilities.

Saving of unnecessary overhead expense, costs of administration, lawyers' fees, legal expenses, and lobbying.

Generation of their own power by People's lines, instead of purchase of same from private generators and distributors.

Saving in purchases of equipment and supplies in open competition, instead of from concerns in which owners of traction capital are interested.

Respectfully submitted,

GEORGE W. JACKSON,
Engineer.

Proposed Enabling Legislation

A BILL FOR

An act to provide for the creation of local transportation districts; for the election of trustees of such districts by the legal voters thereof; for the acquisition by such transportation districts of a system or systems of local transportation, by condemnation, lease, purchase, construction or otherwise, and for the operation thereof under direction of trustees so elected, and to provide for the raising of revenue therefor.

Sec. 1. BE IT ENACTED BY THE PEOPLE OF THE STATE OF ILLINOIS, REPRESENTED IN THE GENERAL ASSEMBLY: That whenever any area of contiguous territory shall contain one or more incorporated cities, towns or villages, and shall be so situated that the maintenance of a common transportation system or systems will conduce to the health, comfort, welfare, convenience or safety of the public, the same may be incorporated as a transportation district under this act, in the manner following:

Any five thousand (5,000) legal voters resident within the limits of such proposed transportation district may petition the county judge of the county in which the larger part of said territory shall be situated, to cause the question to be submitted to the legal voters of such proposed district, whether

they will organize as a transportation district under this act. Such petition shall be addressed to said county judge, and shall contain a definite description of the territory proposed to be included in such district; Provided, however, that no territory shall be included in more than one transportation district under this act.

Upon the filing of such petition in the office of the county clerk of the county in which the larger part of such territory is situated, it shall be the duty of the county judge, of said county, to call to his assistance two judges of the Circuit Court of the judicial circuit in which said county is situated; or, in case, the larger part of said territory shall be situated in Cook County, two of the judges of the Circuit Court of said Cook County, and such judges shall constitute a board of commissioners who shall have power and authority to consider and determine the boundaries of any such proposed transportation district, whether the same shall be described in such petition or otherwise. Notice shall be given by such county judge of the time and place where such commissioners will meet, by a publication inserted in one or more newspapers of general circulation in such county, at least twenty days prior to such meeting. At such meeting, the county judge shall preside and all persons in such proposed transportation district shall have an opportunity to be heard touching the location and boundaries of such proposed district and to make suggestions regarding the same; and such commissioners, after hearing statements, evidence and suggestions, shall determine and fix the limits

and boundaries of such proposed district, and for that purpose and to that extent, may alter and amend such petition.

After such determination by said commissioners, or a majority of them, said county judge shall submit to the legal voters of the proposed transportation district the question of the organization and establishment of such district, as determined by said commissioners, at an election to be held on the first Tuesday after the first Monday in November (or at the time of holding a city or village election for any city or village within such proposed transportation district wherein reside a majority of the legal voters of such proposed transportation district) then next ensuing, notice whereof shall be given by said commissioners, at least twenty days prior to such election, by publication in one or more newspapers of general circulation published within such proposed transportation district, with a description of such proposed district. Each legal voter resident within such proposed transportation district shall have the right to cast a ballot at such election, with the words thereon, "For Transportation District," and "Against Transportation District," and to indicate his preference for or against the creation of such proposed transportation district. The ballots so cast shall be received, returned and canvassed in the same manner and by the same officers as is provided by law in the case of ballots cast for public officials. The election officials shall cause a statement of the result of such election to be certified to the county judge, herein before designated, and

said county judge shall cause such statement to be spread upon the records of the County Court wherein he presides. If a majority of the votes cast upon the question of the incorporation of the proposed transportation district shall be in favor of the proposed transportation district, such proposed district shall thenceforth be an organized transportation district under this act.

Sec. 2. All courts in this state shall take judicial notice of the existence of all transportation districts organized under this act. Upon the organization of any transportation district under this act, said county judge shall call an election to elect trustees of such transportation district, in accordance with the provisions of this act, and shall cause notice of such election of trustees to be posted or published, and perform all other acts in reference to such election in like manner as nearly as may be, as he is required to perform with reference to the election of officers in newly organized cities under the provisions of an act entitled "An Act To Provide For The Incorporation Of Cities And Villages," approved April 10, 1872, and amendments thereof.

Sec. 3. In each transportation district organized under this act, there shall be elected at the time of holding the first election hereunder six trustees, two of whom shall be elected to serve until the first day of May in the odd numbered year next following such election, two to serve until the first day of May two years thereafter, and two to serve until the first day of May four years thereafter, it being the intent and

purpose of this act to have the terms of two of such trustees expire on the first day of May in each odd numbered year. Thereafter, at the expiration of the terms of the several trustees elected at the first election, their successors shall be elected for a term of six years from the first day of May in the year in which they are elected and until their successors are elected and qualified.

(a) General elections for trustees shall be held on the last Tuesday of February in each odd numbered year. Any supplementary election for trustees held under the provisions of this act, shall be held on the first Tuesday of April next following the holding of such general election. The first election of trustees shall be held on the date fixed by the county judge in accordance with the provisions of Section 2 of this act, and the supplementary election following such first election shall be held four weeks thereafter.

(b) The candidate or candidates receiving a majority of the votes cast for trustees at any general or special election held hereunder shall be declared elected. If the number of trustees declared elected at such general or special election is not equal to the number of trustees required to be elected, then a supplementary election shall be held as herein provided. If one candidate only receives a majority of the votes cast, then the two candidates receiving the next highest vote less than a majority, and no others, shall be placed upon the ballot as candidates at such supplementary election. In the event that no candidate receives a majority of the votes cast in the general or

special election, then the names of the four candidates receiving the highest number of votes at the preceding general or special election, and no others, shall be placed on the official ballot; provided, however, that if there be any candidate or candidates, who, under the provisions of this section would have been entitled to a place on the ballot at the supplementary election except for the fact that some other candidate received an equal number of votes, then all such candidates receiving such equal number of votes shall have their names printed on the ballot as candidates at such succeeding supplementary election. The candidate or candidates receiving the highest number of votes at such supplementary election shall be declared elected. Such supplementary election shall be deemed a special election under the election laws in force in the territory in which such election shall be held, and shall be governed thereby except insofar as such laws may be inconsistent with the provisions of this act.

(c) All nominations for trustees shall be by petition. All petitions for nomination of candidates shall be signed by such a number of the legal voters of such district as will aggregate not less than five per cent of all the votes cast for governor in the territory embraced in such district at the last preceding general election. All such petitions, and procedure with respect thereto, shall conform in other respects to the provisions of the election and ballot laws then in force in the territory in which such election shall

be held. The method of nomination herein provided is exclusive of and replaces all other methods heretofore provided by law.

(d) Any candidate for trustee under the provisions of this act may withdraw his name as such candidate by filing with the county clerk of the county in which the greater part of the territory of such transportation district is located, not later than 20 days before the holding of the election, his written request signed by him and duly acknowledged before an officer qualified to take acknowledgements of deeds, whereupon his name shall not be printed as a candidate upon the official ballot.

(e) If any candidate entitled to a place on the official ballot at any supplementary election held hereunder shall die or withdraw his candidacy before such supplementary election, then the name of the candidate who shall have received the next highest number of votes in the general or special election preceding such supplementary election shall be printed on the ballot at the ensuing supplementary election in lieu of the name of the candidate who shall have died or withdrawn his candidacy.

(f) Ballots to be used in general, special and supplementary elections held under the provisions of this act, in addition to other requirements of law, shall conform to the following requirements:

(1) At the top of the ballots shall be printed in capital letters words designating the ballots. If a general or special trustee election, the words shall

be, "Transportation District official election ballot"; if a supplementary election, the words shall be "Transportation District official supplementary election ballot."

(2) Beginning not less than one inch below such designating words, and extending across the face of the ballot, the title of the office to be filled shall be printed in capital letters.

(3) The names of candidates for different terms of service therein (if any there be) shall be arranged and printed in groups according to the length of such terms.

(4) Immediately below the title of each office or group heading indicating the term of office, shall be printed in small letters the direction to voters, "vote for one" or "vote for two" as the case may be.

(5) Following thereupon, shall be printed the names of the candidates for trustees according to the terms thereof, and below the name of each candidate shall be printed his place of residence, stating the street and number, if any. The names of candidates shall be printed in capital letters not less than one-eighth nor more than one-fourth inch in height, and immediately at the left of the name of each candidate shall be printed a square, the sides of which shall not be less than one-fourth inch in length. The names of all the candidates for each office shall be printed in a column and arranged in the order hereinafter designated; all the names of candidates shall be printed in uniform type; the place of residence of such candi-

dates shall be printed in uniform type; and the squares upon said ballots shall be of uniform size; and spaces between the names of the candidates for the same office shall be of uniform size.

(6) Said ballots shall be prepared in as many series as there are candidates in the group in which there is the largest number of names. The ballots of the first series shall contain the names of all the candidates for each group to be filled, one immediately following the other in alphabetical order according to their surnames; the ballots of the second series shall be like those of the first series, except that the name appearing first in the list of candidates for each group in said first series shall, in the second series, be printed after all the other names in the list of candidates for such group; the ballots of the third series shall be like those of the second series, except that the name first appearing in the list of candidates for each group in said second series shall be printed after all the other names in the list of candidates for such group; and so on successively, the name at the top of any list of candidates for each group in any series being placed at the bottom of the respective lists of candidates for such group in each succeeding series, until the name of each candidate for each group shall appear at least once at the head of the list of candidates for such group. The different series of ballots shall be distributed in substantial equality among all the voting precincts comprised in such Transportation District: Provided, that ballots of no more than one series shall be distributed to one voting precinct.

(g) Each voting precinct in such transportation district shall be allotted at each general, special or supplementary election held therein a number of ballots equal to the total number of votes cast for governor in such precinct at the next preceding general election and in addition thereto ten per cent. On the back or outside of the ballot of each voting precinct shall be printed proper words so as to be visible when said ballot is folded, designating said ballot, the precinct, the date of the election, and exhibiting a facsimile signature of the election official having in charge the printing of the ballots.

(h) No party name, party initial, party circle, platform, principle, appellation or distinguishing mark of any kind, shall be printed upon any election ballot used at any election held under the provisions of this act. If any party primary election or any election for any office other than transportation district trustees shall be held at the same time with any transportation district election, the ballots for transportation district trustees shall be separate from all other ballots, except that any question relating to such transportation district submitted to the voters thereof and not required by law to be submitted on a separate ballot, shall be submitted upon the same ballot as that used for transportation district trustees.

(i) In all elections held hereunder, whether general, special or supplementary, the polls shall be opened at six o'clock in the morning and remain open until four o'clock in the afternoon; provided, if any elections hereunder shall fall on the same day as any city, village or township election, then the polls in

such city, village or township shall remain open for the election of trustees of such transportation district during the same hours as they are open for such city, village or township election.

(j) Any candidate for trustee under the provisions of this act may appoint in writing over his signature not more than one representative for each place of voting who shall have the right to act as challenger and watcher for such candidate at any election at which his name is being voted upon. Such challenger and watcher shall have the same powers and privileges as a challenger and watcher under the election laws of Illinois. No political party shall have the right to keep any challenger or watcher at any polling place at any election held under the provisions of this act unless candidates for some office other than transportation district trustees are to be voted for at the same time.

(k) No certificate of election shall be given to any candidate who shall be declared elected at any general or special election held hereunder until after the date fixed by this act for the holding of the supplementary election herein provided for.

(l) In all elections for trustees each elector resident in such transportation district may vote for as many candidates as there are trustees to be elected, but no elector may give to such candidates more than one vote each, it being the intent and purpose of this act to prohibit cumulative voting in the election of members of the board of trustees of such transportation district.

When a vacancy shall occur in the office of trustee of any local transportation district organized under the provisions of this act, the vacancy shall be filled by appointment by the board of trustees of such district, and the person so appointed to fill such vacancy shall perform the duties of a trustee of said district until the next regular election shall be held as herein provided, at which time a trustee shall be elected to fill the remainder of the unexpired term.

Such transportation district shall, from the time of the first election held by it under this act, be a body corporate and politic, by the name and style of "Transportation District of" and by such name and style may sue and be sued, contract and be contracted with, acquire and hold real estate and personal property necessary for corporate purposes, and may sell and dispose of the same when no longer needed for the purposes of such district, adopt a corporate seal, and alter the same at pleasure.

Sec. 4. The trustees elected in pursuance of the provisions of this act shall constitute a board of trustees for the transportation district in which they are elected, and which board of trustees are hereby declared to be corporate authorities of such transportation district and shall exercise all the powers and manage and control all the affairs and property of such district. Said board of trustees shall elect annually from their membership, a president and vice-president, and shall have the right to elect outside their membership a clerk, treasurer, chief engineer and attorney for such district, who shall hold their

offices during the pleasure of the board and who shall give such bonds as may be required by said board. The president shall preside at the meetings of the board of trustees and shall have the same power to vote at such meetings as any other member, and in case of a tie he shall cast the deciding vote, but shall have no power to veto. Said board shall prescribe the duties and fix the compensation of the trustees, officers and employees of said transportation district; provided, however, that the salary of the members of said board of trustees shall in no case exceed the salary fixed by law for judges of the Circuit Court presiding in the territory in which the principal office of said transportation district is located. The president of said board of trustees may appoint a private secretary, who shall receive a salary not to exceed \$5,000 per annum.

Said board of trustees shall have power to pass ordinances, orders, rules, resolutions and regulations for the employment and discharge of employees and for the proper management and conduct of the business of said board of trustees, and of said corporation and for carrying into effect the objects for which such transportation district is created.

Sec. 5. Every ordinance making an appropriation shall within one month after it is passed, be published at least once in a newspaper of general circulation published in such district, or if no such newspaper be published therein, then by posting copies of the same in three public places in the district, and no such ordinance shall take effect until ten days after

it is so published; and all other ordinances, orders and resolutions shall take effect from and after their passage, unless otherwise provided therein.

Sec. 6. All ordinances, orders and resolutions, and the date of publication thereof, may be proven by the certificate of the clerk, under the seal of the corporation; and when printed in book or pamphlet form, and purporting to be published by authority of the board of trustees, any such book or pamphlet shall be received as evidence of the passage and legal publication of such ordinances, orders and resolutions, as of the dates mentioned in such book or pamphlet without further proof.

Sec. 7. The board of trustees of any transportation district organized under this act, shall have power to provide such system or systems of local transportation as will conduce to the health, comfort, welfare and convenience of the people, with such extensions and alterations thereof and additions thereto as from time to time may be deemed advisable, and for that purpose shall have power to construct, condemn, purchase, lease, or by any combination of such methods, or otherwise, acquire street railways, monorails, motor busses, subways, tunnels and other properties, used or capable of being used, or hereafter employed or developed as a means of local transportation over, upon, above or below the surface of the earth or waters within such district including any plant or plants, equipment or other property necessary or appropriate for its corporate purposes; with authority to own the same and to maintain, regulate and con-

trol the use and operation thereof; and to fix, alter, regulate and control the rates charged for transportation over or upon such transportation system or systems; provided, that in no case shall the rate of fare exceed five cents (5c) for one person for a continuous trip in the same general direction wholly within the limits of any incorporated city or village within such transportation district.

When it is necessary for the acquisition, construction, extension, maintenance or operation of any transportation system or systems herein authorized, or of the appurtenances thereto, to take or damage private property, the same may be done, and the compensation therefor may be ascertained and fixed in the manner which may then be provided by any law for the exercise of the right of eminent domain; it being hereby declared that the uses of property required by local transportation districts organized under this act are higher public uses than the public uses of such properties while in the possession, operation or ownership of private persons or corporations.

No transportation district organized under this act, shall have the right to construct and operate a street railroad within any city, town or incorporated village without requiring the consent of the local authorities having the control of the street or highway proposed to be occupied by such street railroad.

Sec. 8. Any transportation district organized hereunder may borrow money for corporate purposes, and may issue bonds therefor, but shall not become indebted in any manner, or for any purpose to an

amount in the aggregate to exceed five per centum on the value of taxable property therein, to be ascertained by the last assessment for state and county taxes previous to the incurring of such indebtedness. At the time or before incurring any indebtedness, the board of trustees shall provide for the collection of a direct annual tax sufficient to pay the interest on such debt as it falls due, and also to pay and discharge the principal thereof as the same shall fall due, and at least within twenty years from the time of contracting the same: Provided, that the net earnings from any transportation system or systems constructed or acquired and operated hereunder may be appropriated and applied to the purpose of paying the interest or principal of such indebtedness, or both, and to the extent that they will suffice, the direct tax may be remitted.

Sec. 9. The Board of Trustees may levy and collect taxes for corporate purposes upon property within the territorial limits of the transportation district, the aggregate amount of which in any one year shall not exceed the sum required for the payment of the corporate expenses of such transportation district, including provision for payment of interest on outstanding bonds of such transportation district and to provide an adequate sinking fund for the redemption of such bonds as they mature; and, in the discretion of the Board of Trustees, such additional sum, if any, required for payment of any difference which may exist between the total receipts of said transportation district from the operation of its system or sys-

tems of local transportation, for the preceding year, and the total amount required to pay its corporate expenses, interest on bonds and sinking fund as aforesaid, and for the maintenance and operation, replacements and renewals of its said system or systems of local transportation.

Sec. 10. The property, both real and personal, of any transportation district organized in accordance with the provisions of this act shall be exempt from taxation, whether such property be located within or without such district.

Sec. 11. Any portion of a county, no part of which portion of the county is within a local transportation district, but which lies contiguous to such district, may become annexed thereto as herein provided, and when so annexed shall become a part thereof, and when so incorporated in such district the property in such annexed territory shall be liable for taxation for the purpose of paying existing indebtedness of such district in like manner as though the same had formed a part of said district at the time of the original creation thereof.

The legal voters of any such contiguous territory who may desire to have the same incorporated within such district, shall file with the board of trustees of such district a petition therefor signed by not less than three per cent of the legal voters of such contiguous territory. Upon the filing of such petition such board of trustees shall have the authority to pass a resolution granting the prayer of such petition sub-

ject to the result of an election as hereinafter provided. If such resolution shall be adopted, it shall be the duty of the said board of trustees to certify a copy thereof to the county clerk of the county in which the principal office of such district is situated who shall submit the question to the legal voters of such district as to whether or not the said contiguous territory shall be incorporated in said district; and if the same shall be approved by a majority vote of the legal voters voting on such question at the election in said contiguous territory, and by a majority vote of all the legal voters voting thereon at the election in said transportation district, the said contiguous territory shall thereupon be incorporated in and become a part of said district for all purposes. The vote to be taken to determine the said question of annexation shall be taken at any regular or special election called for said district for any purpose provided in this act, or at any general election.

Sec. 12. The rates of fare, charges, schedules, rules and regulations of a local transportation district created under the provisions of this act shall not be subject to the control of or review by any other governmental agency of the State of Illinois, now or hereafter existing under and by virtue of the laws of this state.

Sec. 13. The invalidity of any portion of this act, shall not affect the validity of any other portion thereof which can be given effect without such invalid part.

Sec. 14. Any and all laws or parts of laws in conflict with this act, or any part thereof, are hereby repealed.

Sec. 15. Whereas, an emergency exists, therefore this act is to take effect and be in force from and after the date of its passage and approval.

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